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C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 002681

SIPDIS

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E.O. 12958: DECL: 09/25/2018
TAGS: [ETRD](#) [EAGR](#) [SENV](#) [EINV](#) [JP](#)
SUBJECT: METI VICE MINISTER DISCUSSES APEC, WTO,
AGRICULTURE, AND CLIMATE CHANGE

Classified By: Ambassador J. Thomas Schieffer, reasons 1.4(b),(d).

11. (C) Summary: Japan and the U.S. must work together to develop a strong agenda to support their back-to-back tenures as APEC Chair in 2010 and 2011, Ministry of Economy, Trade and Investment (METI) Vice Minister Hiroyuki Ishige told the DCM September 25. Ishige said he personally is "very interested" to see Japan join the Trans-Pacific Strategic Partnership (or P-4) free trade agreement, but did not offer a timeline for the GOJ to do so. He did not go into the reasons why Japan's official stance has not been more forthcoming. Ishige noted the benefits of a successful Doha Development Agenda, but offered no comments on steps Japan is taking to help achieve this end. The DCM raised concerns the food safety debate in Japan is too focused on perceived problems with imported food and less on deficiencies in domestic regulation and policies. With respect to investment, Ishige said Japan will meet its goal to increase FDI to five percent of GDP by 2010. He underscored Japan's desire for a successful COP-15 climate change conference in Copenhagen next year and noted the need for a post-Kyoto framework that includes all major carbon emitters and ensures equitable and shared commitments among developed economies. End summary.

12. (U) DCM and tradeoff called on the new METI Vice Minister for International Affairs Hiroyuki Ishige on September 25 to discuss a range of issues.

APEC/Trans-Pacific Strategic Partnership

13. (C) Japan and the U.S. must, in Ishige's opinion, work together to develop a strong agenda for their back-to-back tenures as Chair of the Asia Pacific Economic Cooperation (APEC) forum in 2010 and 2011. He was surprised at the timing of the USG's September 22 announcement so close to the U.S. presidential election that it will join full negotiations of the Trans-Pacific Strategic Partnership free trade agreement (or P-4). Ishige confided he is personally "very interested" to see Japan join in the P-4 talks, but said it is difficult to say officially when this might be feasible. He asked that we stay in close contact on the APEC agenda and P-4 negotiations.

WTO

14. (C) Vice Minister Ishige agrees on the benefits of a successful conclusion of the WTO Doha Development Agenda. He said he gained greater insight into USG views on Doha during his September 9-13 visit to the U.S., but noted he found "slight differences" between USG and U.S. industry positions.

In particular Ishige said the USG seems more focused on concluding an agreement quickly whereas industry appears to place more emphasis on the quality of an agreement and the modalities for doing so. He said Japanese industry support for Doha is strongest among electronics manufacturers who face high tariff barriers in the EU.

Food Safety

15. (C) The DCM raised concerns the food safety debate in Japan is increasingly focused on perceived problems with imported food instead of the deficiencies in Japan's domestic regulation of agriculture products. He referenced our separate requests with the Ministry of Agriculture, Forestry and Fisheries (MAFF) to resume immediately the rice and other grain tenders that MAFF stopped in response to the scandal currently capturing headlines around the country involving Chinese and Vietnamese (but not U.S.) rice imports. Ishige agreed the U.S. and Japan should engage more vigorously on food safety and food supply issues. Regarding GOJ policy to increase Japan's agricultural self-sufficiency, he said former PM Fukuda had instructed METI to work with MAFF to make the agriculture sector more competitive globally and to increase the efficiency of Japan's food distribution system.

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Investment

16. (C) Ishige said the GOJ looks forward to good discussions with the U.S. during the upcoming bilateral investment talks hosted by Japan in October. Encouraging more foreign investment is an important GOJ policy objective, he noted. Japan is on target to meet its goal to increase foreign direct investment to five percent of GDP by 2010. Ishige also agreed more work needs to be done to dispel the misperception Japan is ambivalent about foreign investment and welcomed our suggestions about how to overcome this problem. For example, during a recent visit to Abu Dhabi, he was surprised to hear UAE officials say Japan does not welcome investments by sovereign wealth funds. (Comment: Given the conversations Embassy and other USG official had with Ishige during his previous tenure as Director General for METI's Trade Policy Bureau on investment and the impact of GOJ decisions, including the Children's Investment Fund and Steel Partners cases, we find his remarks surprising. End comment.)

Climate Change

17. (C) Vice Minister Ishige said the GOJ is committed to a successful outcome for the 2009 UN Climate Change Conference (COP-15) in Copenhagen. A post-Kyoto framework must include all major carbon emitters and ensure CO2 reduction requirements are set at levels that are equitable and shared among developed countries. He said the good progress was made during the Toyako G-8 Summit, in particular the EU's greater willingness to participate in development of the new climate change framework.

Subcabinet Talks

18. (C) Ishige said he will attend the Subcabinet meetings in Washington November 12. In addition to stocktaking, he said, the U.S. and Japan need to discuss how they approach their relations with third countries, especially China. Having recently returned from India, he noted New Dehli's concern about China's "dominance" of Asian markets.

SCHIEFFER